

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

1700 K STREET  
SACRAMENTO, CA 95814-4037  
TDD (916) 445-1942  
(916) 322-7012

**ADP BULLETIN**

<b>Title</b>  <b>RESPONSES TO QUESTIONS ON TRACKING SUBSTANCE ABUSE PREVENTION AND TREATMENT (SAPT) BLOCK GRANT FUNDS BY INDIVIDUAL AWARD</b>		<b>Issue Date:</b>  <b>Expiration Date:</b> June 30, 2003	<b>Issue No.</b>  00-18
<b>Deputy Director Approval</b>  Gloria J. Merk, II Program Operations Division	<b>Function:</b> <input type="checkbox"/> Information Management <input type="checkbox"/> Quality Assurance <input type="checkbox"/> Service Delivery <input checked="" type="checkbox"/> Fiscal <input type="checkbox"/> Administration	<b>Supersedes Bulletin/ADP Letter No.</b>  None	

**PURPOSE**

The bulletin provides information and addresses questions raised by County Alcohol and Drug Program Administrators at the March 29, 2000 quarterly meeting regarding tracking Substance Abuse Prevention and Treatment (SAPT) Block Grant funds by individual grant award.

**DISCUSSION**

**1. Question: Why is the Department tracking SAPT Block Grant funds by individual grant award?**

Title 42, U.S.C., Section 300x-62 requires that SAPT Block Grant funds be obligated by the end of the Federal Fiscal Year (FFY) for which they were appropriated and if obligated within such year, remain available for expenditure until the end of the succeeding FFY. For example, the obligation period for the FFY 1999 SAPT Block Grant award is October 1, 1998 to September 30, 1999. The expenditure period is October 1, 1998 to September 30, 2000.

On February 19, 1999, the Substance Abuse and Mental Health Services Administration (SAMHSA), Division of Grants Management, sent a letter to states regarding tracking obligations and expenditures of SAPT Block Grant funds. The purpose of the letter was to provide a better understanding of the documentation required to support the obligation of SAPT Block Grant funds within the statutory timeframe. The letter defined obligation and informed states that they needed to track obligations and expenditures by individual SAPT Block Grant award.

In a March 24, 1999, letter, SAMHSA informed the Department of Alcohol and Drug Programs (ADP) that it must track obligations and expenditures by individual SAPT Block Grant award ADP Bulletin 00-

effective with the FFY 2001 SAPT Block Grant award. The genesis for the March 24<sup>th</sup> letter was variances between the SAPT Block Grant financial reports. The variances are discussed in the March 24<sup>th</sup> letter.

Title 45, Code of Federal Regulations, Part 96, Section 96.30, requires a state's fiscal control and accounting procedures to be sufficient to permit the preparation of the reports required under the SAPT Block Grant.

The Department, as a condition of its FFY 2000 SAPT Block Grant award, must have a system in place to track SAPT Block Grant funds by individual award not later than July 1, 2000.

**2. Question: What fiscal period does my state fiscal year (SFY) 2000-01 and subsequent SFY SAPT Block Grant allocations cover?**

In SFY 2000-01, counties are allocated SAPT Block Grant funds from the FFY 2000 and FFY 2001 Block Grant awards, as SFY 2000-01 is a transition year.

The SFY 2000-01 allocation covers a 15-month period. The period begins July 1, 2000, and ends September 30, 2001. The 15-month funding period overlaps two SFYs. In SFY 2000-01, counties should plan to spend all of the allocated FFY 2000 Block Grant funds and 75 percent of the allocated FFY 2001 Block Grant funds. Counties should plan to spend the remaining 25 percent of the FFY 2001 Block Grant funds during the period July 1, 2001 to September 30, 2001.

For example, a county's SFY 2000-01 allocation contains \$25,000 in SAPT Block Grant funds from the FFY 2000 award and \$100,000 in SAPT Block Grant funds from the FFY 2001 award. In SFY 2000-01 a county must spend the \$25,000 from the FFY 2000 award and should plan to spend \$75,000 from the FFY 2001 award. A county should plan to spend the remaining \$25,000 from the FFY 2001 award in SFY 2001-02.

In SFY 2001-02 counties will be allocated FFY 2002 SAPT Block Grant funds for a 12-month period beginning October 1, 2001, and ending September 30, 2002. As in the previous SFY, counties should plan to spend 75 percent of the FFY 2002 Block Grant funds in SFY 2001-02. Counties should plan to spend the remaining 25 percent of such funds in SFY 2002-03. See the Exhibit to this Bulletin for a visual representation of these time periods.

**3. Question: What if it takes longer for a county to expend funds from an individual SAPT Block Grant award than the planned time periods identified in the response to Question 2?**

Counties should plan to spend the SAPT Block Grant funds at a rate not less than the planned time periods identified in the response to question 2. However, the process allows additional time for a county to expend funds from a SAPT Block Grant award. For example, SAPT Block Grant funds from the FFY 2000 award can be expended through June 30, 2001. SAPT Block Grant funds from

the FFY 2001 Block Grant award can be carried into SFY 2001-02 and expended through June 30, 2002. See the Exhibit to this Bulletin for a visual representation of these time periods.

**4. Will monthly payments be adjusted to reflect actual expenditure patterns?**

Monthly payments to counties are based on the planned time periods identified in the response to question 2 and the Exhibit. If actual expenditure patterns exceed the planned time periods monthly payments may be adjusted to reflect actual expenditure patterns.

**5. Which SAPT Block Grant funds should a county plan to expend first?**

ADP suggests that counties use the first-in first-out method; that is, counties expend the oldest award first prior to expending funds from the current SAPT Block Grant award. For example, in SFY 2000-01 counties will be allocated Block Grant funds from the FFY 2000 and FFY 2001 SAPT Block Grant awards. Counties should expend funds from the FFY 2000 award prior to expending funds from the FFY 2001 award. In applying the first in first out method, counties must:

- Match expenditures for services to the period of availability for an individual SAPT Block Grant award (for example, funds from the FFY 2000 award are available from 10/1/1999 to 6/30/2001);
- Meet the allocated set-aside requirements for each SAPT Block Grant award; and
- Report these expenditures to the Department in the year-end cost reports.

**6. Question: How will the SAPT Block Grant funds allocated in SFY 2000-01 and not budgeted for expenditure until SFY 2001-02 be reported in the state/county budget for SFY 2000-01?**

The FFY 2001 SAPT Block Grant funds that the county plans to spend in SFY 2001-02 will be budgeted in the Service Code 08 (Cost Efficiencies) in the SFY 2000-01 detail budget.

**7. How will SAPT Block Grant funds, budgeted as Service Code 08 in SFY 2000-01 be budgeted in SFY 2001-02?**

These FFY 2001 Block Grant funds as well as any unexpended FFY 2001 Block Grant funds from SFY 2000-01 are reported in detail in the SFY 2001-02 state/county budget.

## REFERENCES

None

## HISTORY

The history is contained in the response to question 1.

## QUESTIONS/MAINTENANCE

Please address any questions regarding the information contained in this Bulletin to your Fiscal Management Branch or Contracts Management Branch analyst.

## EXHIBITS

Exhibit 1 - [Planned \(Minimum\) and Actual \(Maximum\) Time Periods for Expending SAPT Block Grant Funds](#)

## DISTRIBUTION

County Alcohol and Drug Program Administrators  
Wagerman Associates, Inc.  
Director's Advisory Council

**TABLE SHOWING PLANNED (MINIMUM)  
AND ACTUAL (MAXIMUM)  
TIME PERIODS FOR EXPENDING SAPT BLOCK GRANT FUNDS**

<b>STATE FISCAL YEAR (SFY)</b>	<b>PLANNED (MINIMUM) EXPENDITURE/PAYMENT PERIODS</b>	<b>IF NOT EXPENDED BY PLANNED EXPENDITURE/PAYMENT PERIOD, FUNDS MAY BE EXPENDED UP TO (MAXIMUM)</b>
<b>FEDERAL FISCAL YEAR 2000 SAPT BLOCK GRANT FUNDS ALLOCATED IN SFY 2000-01</b>		
2000-01	July 1, 2000 to September 30, 2000	June 30, 2001
<b>FEDERAL FISCAL YEAR 2001 SAPT BLOCK GRANT FUNDS ALLOCATED IN SFY 2000-01</b>		
2000-01	October 1, 2000 to June 30, 2001 for 75 percent of the FFY 2001 Block Grant funds	Unexpended Block Grant funds can be budgeted in SFY 2001-02.
2001-02	July 1, 2001 to September 30, 2001 for the remaining 25 percent of the FFY 2001 Block Grant funds plus unexpended Block Grant funds from SFY 2000-01.	June 30, 2002
<b>FEDERAL FISCAL YEAR 2002 SAPT BLOCK GRANT FUNDS ALLOCATED IN SFY 2001-02</b>		
2001-02	October 1, 2001 to June 30, 2002 for 75 percent of the FFY 2002 Block Grant funds.	Unexpended Block Grant funds can be budgeted in SFY 2001-02.
2002-03	July 1, 2002 to September 30, 2002 for the remaining 25 percent of the FFY 2002 Block Grant funds plus unexpended Block Grant funds from SFY 2001-02.	June 30, 2003